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SPEECH BY THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, THE HONOURABLE DON JAMIESON, TO THE SOUTHERN COUNCIL ON INTERNATIONAL AND PUBLIC AFFAIRS AND THE COUNCIL ON FOREIGN RELATIONS, ATLANTA, GEORGIA
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Mr. Chairman, distinguished members of the diplomatic corps, my American hosts and friends, and my Canadian colleagues,

Thank you very much, sir, for the mercifully brief introduction. Whenever I hear that list of portfolios I have mixed emotions because I'm not sure if it's a mark of my competence or simply evidence that I can't hold a job. But in any event I am certainly delighted that in this role I have the opportunity to be with you today. I know it is the conventional kind of salutation to express pleasure at being with a particular audience, but in this case I want to assure you and reaffirm that it is a most genuine pleasure for me. Partly because, as the Chairman said, it is true that I have carried on a life-long love affair with the United States - I come from the Maritime provinces of Canada and during the Second World War we, of course, got to know literally hundreds of thousands of American service men, and in my own province alone our chief export to the United States from that period on has been something of the order of 80,000 brides who are located in virtually every state of the union. And so therefore it is for any Canadian Secretary of State, and particularly for me, a rare pleasure, especially when it is such a prestigious and representative audience as the one to whom I am speaking today.

There is also, I must confess, a practical reason why I chose this particular invitation out of many that I had received to speak in the United States, and it is because no Canadian can fail to be enormously impressed by what is happening here in the so-called Sunbelt of your country. There is no necessity for me to go into great detail about the quite incredible progress that you're making in this part of the world. But I can assure you that we in Canada are increasingly impressed by the developments, for instance, in high technology industries, aviation, and a whole range of others, the remarkable developments that have occurred here and which one has to see to believe, in real estate and related matters. For us in Canada this area has a particular interest since something of the order of 2½ to 3 million Canadians find this region a most convenient and easily accessible escape from our rather rigorous Canadian winters. The result of that, if I may say so, is at the moment some 5 to 600 million dollars last year as a deficit on our balance of payment account on tourism alone.

For all of these reasons we have both an admiration for this southeastern part of the United States, and in addition to that - being the good traders that we are in Canada - we want to get in on the action.

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And we're doing that to a quite remarkable extent. For instance in this region of the United States Canadian investment at the moment is in excess of half a billion dollars, and that has come about in a very short period of time. Last year we increased our trade with the six or seven states in this region from some 700 million dollars to over a billion, and the figure is continuing to rise.

If you took the southeastern United States and visualized it as a separate country it would be the fourth largest trading partner in the world for Canada. This is really quite a remarkable statistic and may add to your very justifiable pride and satisfaction at the level and the rate of your growth.

It's because of all of these things, I repeat, that I am anxious and delighted to be speaking with you today and I want -- in the short time available to me - to give you a broad overview of Canada/U.S. relations. However before I do I know that as friends of Canada you have an obvious and a legitimate interest in what has come to be called the national unity issue in our country, and I welcome this opportunity to say a few words on that particular subject. As you know, on November the 15th of last year a government was elected in the province of Quebec committed to the separation of Quebec from the rest of Canada. This election has to be seen in the proper perspective to be understood. In the first place it would be less than honest of me if I did not concede at the outset that any bilingual country such as ours, and in a country which like yours is a federation of provinces as opposed to states, there are invariably regional tensions and difficulties which for us are compounded by the so-called French fact.

There was inevitably some fallow soil within the province of Quebec, as there has been for many, many years - for separation, for a feeling justifiable to a very great degree, that indeed French-speaking Canadians' aspirations and objectives were not being given the attention that they deserved. Having said that however, I think it is important for our American friends to understand that the motivation behind the election of the Parti Québecois in November was essentially economic as opposed to a widespread reflection of political dissatisfaction with our Confederation. I say that because Quebeckers were basically voting for good government, or it might be more appropriate to say against bad government, and of course since that time repeated studies and analyses and surveys have all reflected one common and apparent fact, and that is that the great majority not only of Quebeckers incidentally, but of all Canadians - are strongly committed to national unity and that indeed only something of the order of fourteen or fifteen percent of the residents of the province of Quebec would now opt directly for the separatist route.

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The point that I am anxious to make to you is that there is within our country, from coast to coast, a wide-spread commitment to the concept of national unity and to the maintenance of a single nation, as in fact our motto over the House of Commons puts it in Ottawa, "The wholesome sea is at our gates, our gates both east and west."

We in Canada, like you in the United States, but in a slightly different way, have demonstrated throughout our history a genius for compromise in the most appropriate sense of that word. Like you we have an enormous amount of sheer geography to contend with. Like you we have opted for the federal system, although in our case with a parliamentary democracy rather than the congressional system. But apart from these slight distinctions I don't believe that there are two countries anywhere in the world who have been by tradition and by heritage, and one could even say by instinct, more prepared to provide diversity for their citizens, to provide the maximum degree of openness and opportunity for the expression of the widest possible range of views and for the gratification of the widest range of individual desire.

And so I repeat that while we in Canada have our difficulties, they are not significantly different from those of countries such as your own, where for instance you have demonstrated such remarkable courage, remarkable ingenuity, in dealing with the inevitable problems of minorities, in dealing with the inevitable alienations that can set in when one has such a spectrum of states or provinces, each of which tends on occasion to feel itself remote from the centre, to feel itself in some way deprived, as I know, for instance, this region did for a very long time, and as my own Maritime or Atlantic provinces still feel in terms of the Canadian mosaic.

So I really wanted to say these few words as a background against which to talk about some aspects of Canada/United States relations. On that subject let me begin by saying that no two countries in the world are as close as Canada and the United States, and while the normal diplomatic techniques which have been developed over centuries have a great value and are essential in terms of preserving an ordinary relationship between countries, and indeed in some instances avoiding certain tensions which can exist below the surface, the Canada/United States relationship calls for considerably more than just the routine or standard diplomatic approach. We canadians are increasingly anxious to ensure that we get to know far more than we do at present about you, and I say in the kindest fashion of course, that it is important that the United States gets to know more about us.

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There is something of a dichotomy in the situation where though our relationships are coming closer and closer together in economic terms and in political terms, nevertheless the gap of knowledge, of hard, real knowledge about each other has actually been widening over time. And there are many perfectly defensible reasons for that. But in the years of challenge that lie ahead for us, where our destinies, in a great many respects, are inextricably linked, it is going to be of increasing importance to us to ensure that the flow of communication and of contacts is increased and improved. We have the mechanisms in place. We, for instance, have something like fifteen or sixteen consulates throughout the United States. We have one of our most distinguished public servants and our best-known diplomatic leader in the person of His Excellency, Mr. Jake Warren, who I am happy to have with us today, in charge of our Embassy in Washington and doing a first-class job of conveying to that level as well as to the community at large facts about Canada. But we must do a great deal more.

One of the things we have learned, for example, looking at the United States from the Canadian perspective, is that we can have - as we frequently, and indeed one could say consistently, do - the best possible relations with the administration in Washington. The two federal governments can have a total understanding of what it is that each is seeking to do in relation to the other. But in the United States there are other publics. There is under your system, for example, the congressional element of your governmental structure, and there it is important to - from our point of view - enhance and increase our contacts with your elected representatives so that they too will understand. Because there can be a chasm between a relationship with the administration and with the congressional leadership. In addition of course, as this audience so vividly represents and reflects, there is a public in the United States made up of informed and concerned citizens of various independent bodies, of private groups, so that the challenge to us in Canada is to, in the vernacular, cover all of the bases and I would hope also that there will be the same kind of interest in the United States so that this new thrust which we are undertaking in Canada will be reciprocated.

I may say to you that I'm saying today for the first time, and before this audience, and I'm delighted that I have this audience before whom to make the announcement, that so importantly do I regard Canada/United States relations that I have instructed our own Department of External Affairs to establish a Bureau to deal exclusively with Canada/U.S. relations. Up to now we have had a hemisphere Bureau with a United States Division in it, but with the Bureau dealing also with the Caribbean

and Latin America. Beginning now we will have exclusively a Canada/U.S. Bureau. And this reflects my awareness and that of the Government of the increasing complexity of Canada/U.S. relations and the number of vitally important decisions which we are going to have to make jointly, both of a bilateral nature, and as we become increasingly aware that we in this North American continent are going to have to act jointly on many multilateral questions as well.

It is these bilateral and multilateral questions that I would just like to touch on very briefly in the remaining time that I have before answering your questions. Bilaterally - let me begin by telling you how pleased we were with the outcome of the discussions between President Carter and my Prime Minister - which I was privileged to attend in Washington - and how I believe that those talks set in place the basis for a new and a closer working relationship. We have looked for many years on each side of the border for an appropriate mechanism for keeping in place the multitude of issues that arise between us. We have tried the structured form of communication and negotiation, but we have concluded, in the context of what I said a few moments ago with regard to the unique nature of Canada/U.S. relations, that a number of things are necessary and most importantly, our capacity to discuss and talk frankly and frequently about the range of subjects that arises and to do so in a way that will ensure that they don't reach the stage of becoming major irritants.

I think if one looks at the history of Canada/U.S. relations it will become apparent very readily that the majority of those matters which have tended, on occasion, to divide us, have arisen because there was a kind of benign neglect perhaps reflected in a mutual capacity for taking each other for granted, that allowed issues to bubble to the surface when they could have been dealt with very effectively and disposed of had there been the so-called early warning system in effect. And so we are now, I believe it's fair to say, in the kind of climate between our two countries where we can deal with these specific issues in the fashion that I have outlined. We also recognize that it is important that these bilateral issues be seen in their own context and not related one to another so that if we have a problem in a particular sector we deal with it rather than allow difficulties related to that particular issue to spill over, and indeed to cause difficulty across the whole spectrum of our relationships.

What are some of the things which illustrate this new approach? First of all, illustrating the closeness of our association and our ability to react to each promptly is perhaps the decision we were able to make a few months ago during your most severe and unanticipated cold spell, to provide for additional exports of gas and energy supplies to your country, for no other reason than that's the appropriate thing for a neighbour to do

when his friend's furnace breaks down. Similarly, we have been most appreciative of the manner in which the United States has dealt with the Garrison Diversion project in North Dakota which could have had a very serious polluting effect in terms of our province of Manitoba. Here once again there was a willingness on the part of the United States to take Canadian concerns into account and to decide upon the pace of that development and the size of it in a manner which hopefully will meet our requirements, and which will be to our mutual advantage.

These kinds of relationships also help us to dispel some of the misunderstandings that occur in the United States with regard to Canada, for instance, a number of years ago when we introduced our Foreign Investment Review Act. There was clearly a misunderstanding in much of the United States as to what our intentions were and a misinterpretation of the fact that perhaps we no longer welcomed American or foreign investment in Canada. I was advised at lunch that this body held a seminar on that particular subject and I'm very appreciative of that fact because, of course, there is nothing, indeed not a shred of truth in the suggestion that we are discouraging foreign investment - quite the contrary. In a society which is expanding as rapidly as is Canada, the demands for capital are astronomical, and it is perfectly obvious that we must look outside our borders for a substantial portion of it. When we look outside our borders clearly we look first of all to the United States.

Behind the Foreign Investment Review Act was a recognition and an awareness with which I am sure you in the southeastern United States will understand, and that was a desire to have a greater degree of control over how our development was going to take place, and to ensure that our own people had a reasonable share of the benefits along with the investor. Basically, the Foreign Investment Review Act says simply that investment is welcome as long as it is of significant benefit to Canada. That, I don't believe, is an unreasonable position, and as the United States becomes more aware of what our motivation is I am discovering that there is less and less misunderstanding and more comprehension and sympathy with the point of view that we have adopted.

Another area of misunderstanding that is dispelled with communication and a closer relationship has to do with the whole energy field. When the OPEC crisis erupted upon us there were some suggestions in the United States that we were cutting back on our oil supplies to this country, on our gas supplies to this country, and that indeed we were doing this in some kind of an exploitive way. But against the recent statements that have been made on energy and the very - controversial, I suppose, is not too strong a word - statements and comments about your policies on energy in the United States - I'm sure you will

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realize, as more and more Americans are doing, that we were simply doing precisely what the United States is doing and is going to be compelled to do, and that is to protect for its own people to the maximum extent possible a rapidly diminishing reserve which we're all discovering, to our horror I suppose, is not nearly as large as we once thought it was.

It is, I think, important that I convey to you and that Americans understand that Canada is not as self-sufficient in terms of petroleum supplies as had been thought, and that indeed we face the same kind of crisis thay you do. I think the mere fact that it is a mutual crisis is illustrative of the increasing necessity for Canada and the United States to work very closely together, as I have mentioned earlier in these remarks.

I want to just touch on three or four of the key challenges that we face between Canada and the United States in the years immediately ahead. Energy, as I have said, is obviously one of them, and I know that you will be interested to hear what Canada's position is with regard to the transmission of natural gas from Alaska to the United States, transitting Canadian territory. We have said, and I repeat today, that the one thing you can be sure of is that we will not be dog in the manger in terms of assisting the United States to meet its energy needs and to get access to that tremendously important and valuable natural resource. Therefore, if it is within our power to do so we will cooperate to the fullest possible extent. When I say within our power to do so you may be asking well, why cannot a sovereign government and a sovereign country simply say yes or no on an issue of this kind, and it may be useful if I take just a moment to illustrate the constraints against which we are working because if these are understood, then the next few months, which are crucial to both countries, will be passed over with the least amount of irritation or the least amount of this misunderstanding to which I have referred.

In the first place, either one of the pipeline routes presently being discussed goes through our northern territory north of the 60th parallel. There are environmental questions of really great importance which have to be assessed. No project of this magnitude has ever been undertaken, at least in the North American area, in that kind of terrain, and so therefore we have a Commission which has just recently completed its hearings seeking to determine to the maximum extent that human knowledge permits just what the environmental impact of a major pipeline project in the high Arctic is likely to be.

The second point that it is important that you understand is that that whole vast exciting region of Canada called the Arctic is one in which we have a very large group of native people, and these people have certain established

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rights as well as certain claimed rights. And therefore it is incumbent upon us, both by law and through the process of natural justice, to ensure that native rights are also considered in terms of this kind of decision. I only wish there were time to go into that fascinating aspect of this whole project.

But the point I want to leave with you is that the Government of Canada cannot move by way of decision-making until we have the report of that Commission on the environmental and the native rights questions. In addition to that - and I won't bore you with the technical aspects of it - we have a National Energy Board which is autonomous, and which by law must examine all such proposals without political or other influence, and bring recommendations to the Government on issues of this kind. That Board has now also completed its hearings, or is virtually at the end of the hearing cycle, and will also be making a report to the Government and a set of recommendations.

Therefore you in Atlanta, Georgia, and I in Ottawa, Canada, are the same in one respect - in that neither one of us yet knows what those two autonomous bodies are going to recommend. Once those recommendations are in then the Government of Canada and the Government of the United States will have to work in concert on the incredible array of other problems which will then present themselves before decisions can be taken.

Among these, and I'll just touch on the one, is the whole question of the economics of this pipeline and its impact on the whole Canadian financial structure. You who are businessmen in this room, and others too I am sure, recognizing that this is a multi-billion dollar project can see what the impact would be on the Canadian economy of the infusion of that large lump of outside capital in a very restricted period of time, and incidentally, in the first phase at least, for relatively little benefit to the Canadian economy. Essentially it's an accommodation for the United States. And so when we come to discuss this in detail we're going to have to draw upon the best authorities and the best experts there are, assuming that there is a green light to go, to assess how we can manage the capital requirements and the capital flows of that project, in a manner that won't diminish our capacity to raise funds for other purposes in the capital market, and that will ensure that the Canadian dollar, for instance, is kept in some degree of rational relativity to the American dollar.

I hope that by taking this little time to go over that project I've been able to give you some indication of the complexity of our relationship and the reasons why we have to take certain steps before we can indeed advise President Carter as to what our intentions are going to be. But let me reiterate that our commitment to you is that, all things being equal, and if we can possibly do it, we will accommodate ourselves

to you and not only do so very consciously but do so, in a sense, with a heart and a half, because we are anxious to be of help.

There are several other issues that I could talk about. Because we share the longest border in the world we also had problems and have problems when that border is extended another 200 miles in various directions as a result of our two country decisions to declare a 200-mile economic zone in the Law of the Sea context. And so we once again have very intricate negotiations underway with the United States seeking to delineate where that invisible border, in effect on the ocean, is going to be. But here again there is a general atmosphere of goodwill and a confidence, on my part, that we can resolve the question.

Yet another is the St. Lawrence Seaway, perhaps one of the most remarkable demonstrations of two country cooperation on the face of the earth. Now there is a necessity to look at it in terms of a revised toll structure. Well, as with the boundary question, Canada has chosen, consciously and deliberately, to do this in an - to do the negotiating in an atmosphere of goodwill without the overhang of the legal devices which are open to both sides, but which we have said essentially we would rather not employ. In other words, we would rather go at it in a negotiating way with each side putting their various propositions on the tables but not employing the kinds of legal mechanisms which are inherent in the various treaties.

Another almost insuperable problem, but one which we have to solve, is the question of the protection of the environment. We share the same house in the sense of our part of the North American continent, and the pollution problems, both in the air and on the water, and the potential problems for instance that we have as a result of the tanker route from Alaska to California and to the northern tier of states - all of these things. We must be deeply conscious of them in view of what has happened in the North Sea in the last few days. All of these things are matters which it is literally impossible for one side or the other to resolve unilaterally. We have to have the closest possible relationship, not simply because we want to help the other side as it were, but because this is something which knows no distinction of American or Canadian in the vast majority of cases. The huge rivers that cross our borders, the enormous amount of industrial activity very close to the border - all of these things call for skill and commitment on both our parts, and once again I'm sure that that's going to be present.

I think I have already exceeded the time and I don't want to cut down on the question period, and I have barely touched on multilateral matters, and I will simply say this - that just as there are great similarities between Canada and

the United States and between Canadians and Americans, each of us as countries clearly have not only the right but the responsibility to articulate our perception of what the world ought to be, and obviously there cannot be - nor should there be - a blind allegiance across the whole range of multilateral questions that each country supports the other on everything. Canadians obviously want to assert their individuality, they want to retain - in multilateral matters, in international matters - their right to disagree with the United States. It says something, however, for the commonality of our beginnings, and for the depth of our mutual conviction to democratic principles, that divergences of views are so rare. In international matters I'd be hard pressed at the moment to identify any issue where there is anything more than subtle differences between us. And I am convinced, as I know your President is, and as I know my colleague Mr. Cyrus Vance is, that Canada and the United States, as blessed as we are in relation to almost all of the rest of the world, must develop leadership beyond even what we have achieved already in terms of resolving the incredible array of problems facing us on this constantly shrinking planet.

That is why Canada for instance, in December, decided to form a nuclear export policy which is ahead of the world, which puts us out in front and puts us, I may say, at considerable risk both economically and politically by saying that we will not supply any nuclear materials to any country that either does not subscribe to the Non-Proliferation Treaty or which is not prepared to accept full-scope safeguards. Happily this was an area in which Canada could display leadership, and other countries we note are moving toward the Canadian position. We welcomed President Carter's comments in this regard just a few days ago, and also the fact that in this, as in so many other things, we had the opportunity for prior consultation and discussion through the meetings of the President and the Prime Minister.

But I don't think we need have any illusions that you in the United States share a quite incredible burden and responsibility. Let me say to you that in the rest of the world when I travel I never miss an opportunity to remind those who tend to carp and to be critical of the United States that there is surely no community of people in the history of mankind that has done more, that has been more outgoing and more generous, and that continues to be of such vital importance to every person alive today, as the United States. And I hope that this continuing effort on my part to reflect the United States to people who don't know it as well as I do, will bear some results.

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Let me end as I began by telling you how grateful I am for providing me with this opportunity and to say to you that you have been a most receptive audience whose patience I fear I have tried unduly with the length of my remarks, but when you have this kind of chance, which may never come again, you want to get it all off your chest and if I've missed anything I'll be glad to answer your questions.

Thank you all very much.

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